

SET-ASIDE WORK PLAN
FOR THE
NEW YORK STATE
DRINKING WATER STATE REVOLVING FUND
FEDERAL FISCAL YEAR 2017

Prepared For:
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1.0 INTRODUCTION

A Drinking Water State Revolving Fund (DWSRF) was created as a result of New York State's enactment of Chapter 413 of the Laws of 1996 (Clean Water/Clean Air Bond Act or "Bond Act") and passage of the 1996 Amendments to the Safe Drinking Water Act (SDWA) by the U.S. Congress. The DWSRF program provides low interest loans for the construction of drinking water projects and administers other activities authorized by the SDWA. The program is administered jointly by the New York State Department of Health (DOH) and the New York State Environmental Facilities Corporation (EFC). Organizational charts for the DOH and the EFC are presented in Attachment 1 of this document.

To ensure the continuation of the DWSRF, the State is applying for a Federal Capitalization Grant for FFY 2017 in the amount of \$39,900,000. Monies from the Bond Act will be used to provide the federally mandated 20% state matching funds of \$7,980,000. The additional \$3,990,000 Program Management Set-Aside match will be met with in-kind services provided by the statute that allows a State to use funds expended from the PWSS Program that are above and beyond the required State match for the current year (FFY 2017) as well as FFY 1993. The total state match is \$11,970,000.

The DWSRF program helps ensure that New York State's drinking water supplies remain safe and affordable and that drinking water systems receiving funding are properly operated and maintained. The objectives of the DWSRF program include addressing public health priorities, achieving compliance with the SDWA, assisting systems to ensure affordable drinking water and maintaining the long-term viability of the Fund. Through the use of set-asides, emphasis is placed on the development of state prevention programs including capacity development/sustainability, emergency preparedness/resiliency, providing technical assistance and protecting sources of drinking water.

Projects eligible for DWSRF financing include investments to address exceedances of federal or state health standards, prevent future violations of standards, upgrade or replace infrastructure, and provide the public with safe drinking water. Prioritized lists of eligible projects being considered for financing from the DWSRF are included in the Intended Use Plan (IUP) dated October 1, 2016.

Section 1452 of the SDWA authorizes states to use a portion of the federal Capitalization Grant to support various drinking water programs (set-asides). Section 1452 allows as much as 31% of a State's federal Capitalization Grant to be used for a combination of Administrative Activities (4%), Technical Assistance (2%), State Program Management (10%) and Special Activities (15%). New York State proposes to obligate 16% (\$6,384,000) of the \$39,900,000 FFY 2017 Capitalization Grant for set-aside purposes.

The State is proposing to obligate 2% (\$798,000) of the total annual FFY 2017 federal Capitalization Grant to continue to provide technical assistance to small water systems. The technical assistance set-aside includes the DOH's existing Small Water Systems and Comprehensive Performance Evaluation Programs. The DOH plans to expend the entire amount of this set-aside (\$798,000) in FFY 2017. A work plan describing the DOH's intended objectives and expenditures for the FFY 2017 technical assistance set-aside is presented in Section 2.0 of this document.

The State is proposing to obligate 10% (\$3,990,000) of the total annual FFY 2017 federal Capitalization Grant for the State Program Management set-aside to support the administration of the Public Water System Supervision (PWSS) program. States are required to match this set-aside on a one-for-one basis. The match will be obtained from additional state funds credited from the PWSS Program. A work plan describing the DOH's intended objectives and expenditures for the FFY 2017 State Program Management set-aside in FFY 2017 is presented in Section 3.0 of this document.

The State is proposing to obligate 4% (\$1,596,000) of the total annual FFY 2017 federal Capitalization Grant to support the costs of administrative activities necessary to implement the DWSRF by the DOH and the EFC. The DOH will receive 0% (\$0) and the EFC will receive 100% (\$1,596,000) to support their respective administrative activities. The EFC is proposing to expend their entire share of this set-aside in FFY 2017. The distribution of the set-aside expenditures among personal service costs, related fringe benefits, indirect costs, and non-personal service costs are detailed in the attached budgets. The Administrative Activities set-aside is only a portion of the DOH and the EFC total administrative budget. Fees and any unspent Administrative Activities set-aside funds from prior years' grants also support the budget. A description of the administrative tasks included in the Administrative Activities set-aside can be found in the Operating Agreement (OA) between the DOH and the EPA.

Per the EPA issue paper titled *Management of Set-Asides in the Drinking Water State Revolving Fund Program*, the Administrative Activities set-aside differs from the other set-asides in the DWSRF program since a work plan is not required unless the funds are going to be used to provide technical assistance or fund administration of other programs eligible under Section 1452. The State is proposing to obligate the Administrative Activities set-aside monies of the FFY 2017 federal Capitalization Grant to support the costs of administrative activities necessary to implement the DWSRF. Therefore, no work plan for the use of these funds is required.

2.0 WORK PLAN FOR TECHNICAL ASSISTANCE SET-ASIDE

The goal of the technical assistance initiative is to provide assistance to small public water systems to enable such systems to achieve and maintain compliance with applicable federal and state drinking water regulations. Direct technical assistance is provided to small communities experiencing operational, emergency, or compliance problems.

In addition, the technical assistance initiative provides assistance to water systems of any size that may be experiencing treatment and / or operational issues. This is accomplished through data evaluation, phone consultation and/or site visits to monitor, evaluate and collect site specific data or samples.

The DOH plans to expend the entire amount of this set-aside allotment (\$798,000) in FFY 2017. A work plan for the FFY 2017 Technical Assistance set-aside is presented below.

During FFY 2017 the DOH Technical Assistance Initiative proposes to:

- provide direct technical assistance to small community water systems via routine consultation and referral;
- oversee the “circuit rider” contract that provides on-site training and other direct technical assistance to manufactured housing communities, mobile home parks and other small community and non-transient non-community public water systems (those not currently served by such a program), including a review of the contractor’s quarterly progress reports on which continued funding is contingent;
- coordinate available EPA sponsored SDWA compliance training and guidance to small water systems;
- coordinate federally offered Technical Assistance to ensure that help is provided at very needy, non-complying water systems;
- provide guidance to small water systems on emergency preparedness, vulnerability assessment, and security-related initiatives;
- coordinate sampling and analytical assistance to small systems for required organic, inorganic, and radiological water quality compliance testing;
- encourage small water systems and local health department (LHD) staff to consider collaborative or regional approaches to water supply services, such as consolidating and/or seeking legislative authorization for municipal regionalized water systems;
- encourage small water systems to form partnerships, initiate contract operation and maintenance agreements, and implement mutual-aid agreements as via the New York Water and Waste Water Agency Response Network (NYWARN);
- implement a number of small system projects and otherwise assist small systems endeavoring to find technical and economically-viable solutions to long term compliance issues, focusing primarily on communities applying for DWSRF financing but also working with those using other means of financing;

- conduct Focused Performance Evaluations (FPE's) as necessary to assess specific operational issues including filter media evaluations, Disinfection by product and disinfection assessments, TOC/color problems, GWUDI treatment assessments, and emerging contaminant issues;
- conduct follow up visits, as time permits, at communities that had a FPE/CPE to determine the degree of implementation of the recommendations, to discuss any new difficulties at these facilities, and to support communities having a specific critical problem;
- Maintain instrumentation and laboratory services that will enable Bureau and field staff to conduct FPEs and assist with Comprehensive Performance Evaluation; and
- improve where needed/ appropriate, training of field staff responsible for follow-up, making equipment available where needed and holding workshops on troubleshooting techniques as appropriate.

3.0 WORK PLAN FOR STATE PROGRAM MANAGEMENT SET-ASIDE

The DOH's State Program Management set-aside will be used to support the administration of the PWSS program. New York State is required to provide a dollar for dollar match for federal Capitalization Grant funds used for this set-aside. In lieu of providing funds for this match provision, New York State will meet the required FFY 2017 match by using a credit (one-half of the funds) for certain expenditures from the PWSS Program in 1993, State over match to the PWSS Program for FFY 2017, and in-kind funds used to finance PWSS activities. New York State does not anticipate contributing additional funds to this set-aside in FFY 2017. The following table depicts the State's intended use of the PWSS credit/over match:

Program Description	FFY 1993	FFY 2017
PWSS Grant	\$2,857,000	\$4,836,000
State Match PWSS	\$952,333	\$1,612,000
Additional State Funds	\$5,200,000 ¹	\$5,000,000 ²
Total Credit/Over Match for State Program Management Set-Aside	\$6,152,333	\$6,612,000
Total State Program Management Set-Aside (\$3,990,000)	\$1,995,000	\$1,995,000

Program Description	FFY 1993	FFY 2017
¹ The 1993 federal Safe Drinking Water Act (SDWA) fund was over matched with more than \$600,000 in State FTE's, nearly \$1M in laboratory certification and more than \$3.6M in local assistance payments to county health departments.		
² New York State anticipates that the 2017 SDWA fund will be over matched by over \$5M.		

As indicated above, the State Match plus the additional state funds (PWSS credit/over match), more than equals the total of the State Program Management Set-Aside, thus fulfilling the state match requirement.

3.1 Administer the PWSS Program

The PWSS program enables the DOH to continue administration and oversight of the drinking water program, ensuring consistency in the implementation of and compliance with the requirements of the New York State Sanitary Code on a statewide basis. Additionally, the PWSS program assures that public water systems are operated in a manner that ensures adequate protection of their source water(s) and delivery of potable, aesthetically pleasing drinking water.

The goals of the PWSS program are to:

1. Assure that water suppliers are in compliance with the State Sanitary Code and that an adequate quantity of potable, aesthetically pleasing drinking water is delivered by public water supplies.
2. Assure that local health departments are following DOH policy for regulating public water supplies.
3. Assure that water suppliers are adequately protecting their supplies, are planning for future needs and constructing facilities to adequately collect, store, treat and distribute potable and aesthetically pleasing drinking water.
4. Assure that potable drinking water is provided during emergencies.
5. Assure that emerging issues in water supply are effectively reviewed and innovations in water supply delivery are promoted.
6. Assure proper training and professional certification of water operators and backflow testers.
7. Effectively administer the PWSS program.

To achieve these goals, the DOH plans to implement the following objectives during FFY 2017 and subsequent years:

- assure compliance with Part 5 of the State Sanitary Code;
- coordinate with the Wadsworth Center for Laboratories and Research (WCLR) to assure that State Laboratory capabilities are maintained;
- provide technical assistance to public water systems in achieving compliance;
- assure public health protection by developing, adopting and implementing mandatory federal drinking water regulations into the State Sanitary Code, including development and submittal of primacy packages;
- ensure that local health department water supply programs properly implement the program;
- assure that water supply facilities are built in accordance with proper design criteria by providing conceptual review and design approval of new construction and major modifications to water supply systems;
- continue to implement the State's Capacity Development Program;
- continue to collaborate with national, state, and local clean water partners, to protect New York State's drinking water sources;
- continue to track NYC filtration avoidance compliance;
- respond to requests for technical assistance in times of emergencies, including coordinating with local health departments and other stakeholders;
- promote mutual aid between water utilities, including supporting the NY State Water/ Wastewater Agency Response Network (NYWARN), providing information to the regulated community about mutual aid and NYWARN, and incorporating NYWARN into appropriate training opportunities statewide;
- approve and maintain a listing of NYS certified bulk and/ or bottled water haulers;
- continue to support the Child Health Initiative by working to ensure testing of lead in public schools and BOCES to minimize child lead exposure in drinking water;
- assure that water systems are operated by competent operators;

- assure that cross-connection control programs at water systems are maintained by competent backflow prevention testers;
- assure that staff are properly trained; and
- ensure that NYS is reporting to the EPA on a regular basis.

ATTACHMENT I
ORGANIZATIONAL CHARTS



Environmental Facilities Corporation

Board of Directors

Executive

*Corporate
Operations*

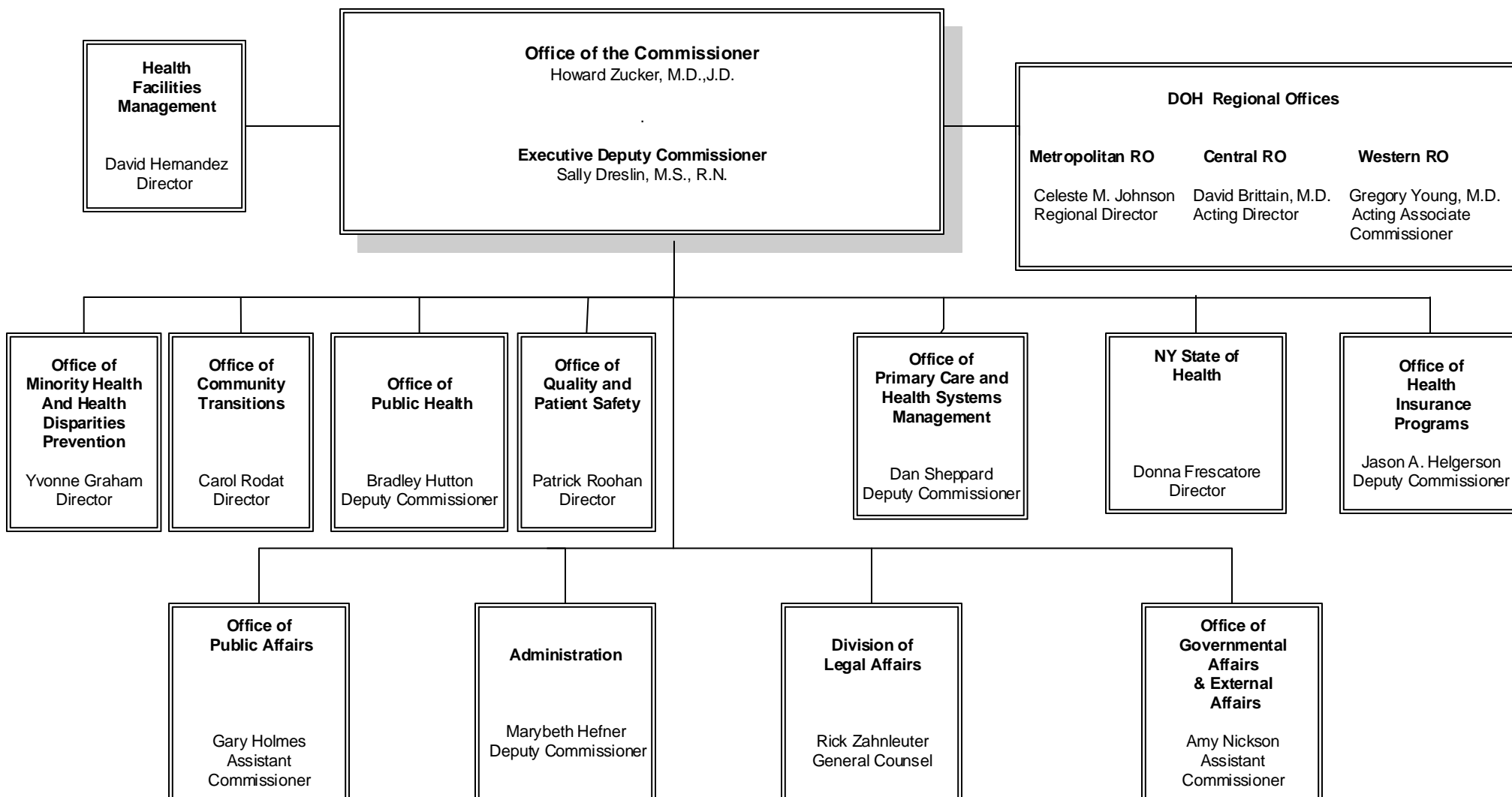
*Engineering
and Program
Management*

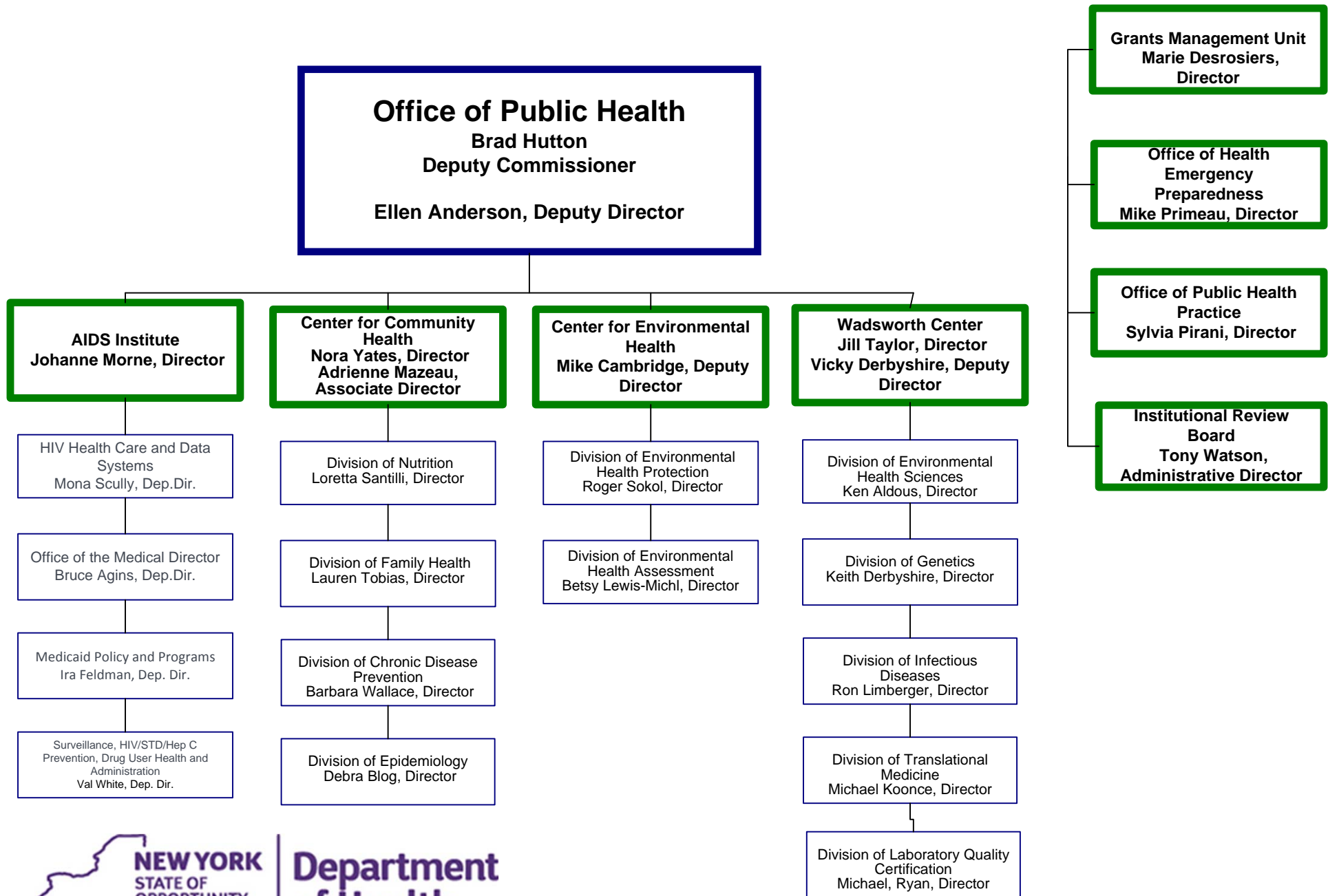
*Public
Finance*

Legal



Department of Health





**Department
of Health**

